

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 1123-01
BILL NO. HB 340
SUBJECT: Alcohol; Business and Licenses
TYPE: Original
DATE: January 22, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$42,000	\$50,000	\$50,000
Total Estimated Net Effect on <u>All</u> State Funds	\$42,000	\$50,000	\$50,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator**, the **Office of Prosecution Services** and the **Office of State Public Defender** assume the proposed legislation would have no fiscal impact on their respective agencies.

Officials from the **Department of Public Safety - Division of Liquor Control (DPS)** assume the proposed legislation allows the Supervisor of Liquor Control to assess a civil penalty or fine of not less than \$100 or more than \$5,000 against any solicitor licensed to sell in lieu of the suspension or revocation of a liquor license when in violation of any liquor laws. The DPS assumes this proposal would not generate any state revenue and that the costs could be absorbed within existing resources.

The DPS states that the civil penalties imposed pursuant to Section 311.680 are to be distributed to the school districts. DPS estimates the Supervisor will impose \$50,000 annually in civil penalties against licensees. FY 2002 is calculated for 10 months, or \$42,000.

Oversight assumes the fiscal impact to the local school districts would be a wash, with the increased collection of fines generated by the Supervisor of Liquor Control and the resulting reduction of the school foundation formula distribution from the state.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE

<u>Savings</u> - Reduced Foundation Formula Distributions	<u>\$42,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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LOCAL SCHOOL DISTRICTS

<u>Income</u> - Civil Penalties	\$42,000	\$50,000	\$50,000
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<u>Loss</u> - Reduced Foundation Formula Distributions	<u>(\$42,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

The proposal could impact solicitors, retailers, and wholesalers of alcoholic beverages.

DESCRIPTION

This proposal creates new penalties for violations of liquor control laws. The proposal allows the Supervisor of Liquor Control to assess in lieu of suspension or revocation of a liquor license:

- (1) A civil penalty of not less than \$100 or more than \$5,000 against any solicitor licensed to sell liquor when in violation of any liquor laws;
- (2) A civil penalty of not less than \$50 or more than \$1,000 against any retailer with less than 5,000 occupant capacity when in violation of any liquor laws; and
- (3) A civil penalty of not less than \$50 or more than \$5,000 against any retailer with 5,000 or more occupant capacity when in violation of any liquor laws.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Office of Prosecution Services
Department of Public Safety - Division of Liquor Control
Office of State Public Defender



Jeanne Jarrett, CPA
Director
January 20, 2001